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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR ARGENTINA

Note by the Administrator

I. PREPARATORY PROCESS

1. The Government initiated formally the process of preparing the fifth country programme for Argentina by analysing the technical cooperation requirements for successfully implementing its priority programmes. In this exercise, the advisory note prepared by UNDP on the basis of its perception of the Government's development priorities, was considered of particular importance. In this context, General Assembly resolution 44/211 of 22 December 1989 and Governing Council decision 90/34 of 23 June 1990 were explicitly taken into account.

2. The conclusions and recommendations of the mid-term review and of the different in-depth project evaluations carried out during the fourth cycle, were also taken into consideration during the programming process. Furthermore, extensive consultations have taken place with the World Bank and the Inter-American Development Bank (IDB), as well as bilateral donors, to ensure coordination of efforts.

3. Inputs from United Nations agencies have also been requested during this preparatory process through consultations to allow for their experience in the execution of development programmes in their respective areas of competence to have a bearing on the fifth country programme and ensure adequate coordination.

4. Finally, as the coordinator of technical cooperation activities the General Direction for International Cooperation of the Ministry of Foreign Affairs jointly with UNDP carried out a series of discussions with the relevant sectoral authorities in order to identify the areas of UNDP cooperation.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

5. The main objective of the fifth country programme is to collaborate with and strengthen the Government in its capacity to formulate policies, strategies and programmes in those priority areas that will contribute to sustainable economic growth. This in turn should reverse the prolonged period of continuous economic decline, hyperinflation and foreign debt accumulation which has caused a decline in the country's performance against critical indicators, including the Human Development Index.

6. The strategy for UNDP's cooperation with Argentina is to complement and strengthen national capabilities through its capacity readily to provide specialized high-level technical inputs for the design and implementation of national strategies and programmes; its comparative advantage of neutrality and multilateralism; its mandate for capacity-building through the gradual application of national execution and its ability to provide support for the implementation of the Government's economic and social development programmes. Given the very limited IPF funds assigned to the country compared to its need for technical assistance, these resources will be used as "seed-money" for strategic support to national programmes in order to mobilize additional funds from other sources, and to maximize UNDP's substantive input.

7. Based on this strategy, the country programme focuses on the formulation and/or support to national programmes in the following three priority areas: (a) support to economic growth; (b) strengthening public sector management capacity; and, (c) formulation and implementation of policies and programmes towards the improvement of social conditions.

8. In the area of economic growth, the Government considers appropriate that UNDP cooperation be oriented to support its efforts in the fields of promotion of external trade and investments, as well as regional and subregional integration. Particular emphasis will be given to support for private enterprises and entities as well as the public sector in improving their organizational and management capacities and to strengthening the technological infrastructure and the universities. This should enable them to respond to the needs of the agricultural, industrial and service sectors in their quest for ensuring sustainable economic growth.

9. In the area of strengthening public sector management, it is also expected that UNDP will cooperate in the restructuring of the public sector through support to the ongoing administrative reform process both at the central and provincial levels. Special attention will also be given to strengthening the management capacities of the provinces, particularly

considering the process of decentralization already initiated by the Central Government. UNDP cooperation will also support the privatization and restructuring of public enterprises.

10. UNDP cooperation will also be oriented towards the eradication of critical poverty with special emphasis on those strata of the population most negatively affected by the structural adjustment policies at present under implementation. Efforts will be made to mobilize resources, especially for improving the conditions for employment and income generation, as well as health, education and housing.

11. It should be emphasized that UNDP's activities in each of the three priority themes will all contribute to the overriding themes of human development and strengthening of national capabilities. As such, the fifth country programme for Argentina will favour processes entailing decentralization at the provincial and local levels, grass-roots participation, gender equality, ownership through promotion of small and medium-scale enterprises and improvement of social conditions.

12. Also, as an inter-sectoral concern, UNDP cooperation will give particular importance to actions related to environment, women and technical cooperation among developing countries (TCDC). Hence, the UNDP-assisted activities for Argentina will reflect the thematic priorities established by Governing Council decision 90/34.

13. The resources available for the implementation of the fifth country programme for Argentina are estimated at $96 million, of which the IPF accounts for $9,455,000 and cost-sharing resources will be mobilized in the proportion of 9:1 to the IPF-allocation. These resources will be allocated among the priority areas as follows: (a) economic growth, 31 per cent; (b) public sector management, 28 per cent; and (c) poverty and social conditions, 31 per cent.

III. MANAGEMENT OF COUNTRY PROGRAMME IMPLEMENTATION

14. National execution will be the main execution modality with the necessary support from the specialized United Nations agencies as well as the Office of Project Services (OPS), particularly for the execution of high-level technical components and the provision of external inputs.

15. The projects will be approved once prerequisites and previous conditions are fulfilled in order to avoid delays and minimize reprogramming of activities. Special efforts will be made to ensure that cost-sharing contributions are made in accordance with agreed payment schedules.

16. Monitoring, in-depth project evaluations and impact evaluation at the programme level will be jointly conducted with the Government to ensure satisfactory performance. A mid-term review will be carried out in 1994 to confirm the continued relevance of the Programme and to introduce any adjustments that may be required.

IV. RECOMMENDATION OF THE ADMINISTRATOR

17. The observations made in the present note reflect the Administrator's belief that the fifth country programme for Argentina is relevant in its support to the country's main development priorities; is the result of a consensus between the Government and UNDP and, has the Government's full support to make its implementation possible.

18. For these reasons, the Administrator recommends that the Governing Council approve the fifth country programme for Argentina.